Bell Atlantic

Bell Atlantic Network Services, Inc.
1133 Twentieth Street, N.W.
Suite 800
Washington, D.C. 20036
202 392-6990

Marie T. Breslin
Director
FCC Relations

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EX PARTE

Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: CC Docket 95-116, Telephone Number Portability

Dear Mr. Caton:

This written ex parte is being filed on behalf of Bell Atlantic and NYNEX.

Both AT&T and MCI have recently filed ex parte letters continuing their opposition to the requests of a number of carriers that they be allowed to use QoR in connection with their implementation of LRN to provide number portability in the most efficient, reliable and cost-effective manner.[1] For the most part, the AT&T and MCI letters merely repeat arguments those companies made before, and which Bell Atlantic, NYNEX and others have demonstrated to be inaccurate.[2] These letters also raise new points in opposition to QoR. However, these new arguments are no more persuasive than their old ones.

AT&T continues the campaign of misinformation and misrepresentation that has characterized its opposition to QoR. For example, AT&T misquotes the Commission, when it claims that one of the Commission's performance criteria is that number portability "not result in any degradation of service quality."[3] What the

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1 Letter from Frank S. Simone, AT&T, to William F. Caton, dated October 29, 1996; letter from Leonard S. Sawicki, MCI, to William F. Caton, dated October 28, 1996.

2 See, *e.g.*, Bell Atlantic's Reply in Support of Its Petition for Clarification and Partial Reconsideration; NYNEX's Reply to Oppositions to NYNEX's Petition for Reconsideration and Clarification.

3 AT&T Letter, Att. at 8.

Commission's rules say, of course, is that there cannot be "any unreasonable degradation in service quality."[4] As we and others have demonstrated, QoR meets this test.

Bell Atlantic, NYNEX and others have filed detailed information about how much it will cost them to deploy LRN capabilities in their networks and how much less they will have to spend to do so if they are also allowed to use QoR. These studies show that QoR can save Bell Atlantic and NYNEX alone more than $120 million in investment and expenses to introduce number portability.

AT&T argues instead that "there is no significant cost difference."[5] In support of this illogical and plainly inaccurate claim, AT&T offers three points.

First, AT&T points to the fact that the proponents of QoR differ substantially in their estimate of the costs of providing number portability.[6] The differences are not surprising and, in any event, are beside the point.

As AT&T well knows, every exchange carrier's network is different. Even companies serving such similar areas as Bell Atlantic and NYNEX have different networks and different costs to add number portability capabilities to them. For example, Bell Atlantic has already widely deployed SS7 and AIN capabilities in its network. Because NYNEX has done so only to a lesser extent, it will have to augment existing facilities more than Bell Atlantic will in order to handle portability.

But more important for these purposes, the total size of the cost of portability is beside the point — what matters here is how much money a carrier can save by using QoR. Whether the savings is $67 million less than the AT&T-calculated LRN-only cost of $13.13 per access line for Bell Atlantic or $54 million less than the $23.58 per line for NYNEX, the fact remains that QoR will save both these carriers, and their customers, tens of millions of dollars.

Second, in an effort to rebut the plain showing that QoR can save money, AT&T concocts a "cost" that it says should be attributed to QoR, what it calls

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[4] 47 C.F.R. § 52.23(5).

In another instance, AT&T previously told the Commission that QoR results in delay "for customers that switch carriers, delay not experienced by customers who do not switch carriers." AT&T Opposition at 10 (Sept. 27, 1996). Even other opponents of QoR acknowledge, as Sprint does, that "it is true that it is the ILEC's customer (the calling party) who experiences the dialing delay." Sprint Opposition at 4 (Sept. 27, 1996).

[5] AT&T Letter, Att. at 1.

[6] AT&T Letter, Att. at 1-2.

"unnecessary QoR queries to the wrong switch," with a price tag of almost one *billion* dollars.[7]

The most charitable thing we can say about AT&T's claim is that it compares apples to orchards. The information we supplied showed the costs to upgrade our networks to provide number portability — the cost to buy new databases, software, switch processors, signaling links, etc. AT&T, however, wants the Commission to include in this calculation of out-of-pocket expenditures a billion dollars of theoretical "costs" for switching and transport which will not require Bell Atlantic or NYNEX to spend a dime.[8] While this sort of analysis might be appropriate in the rate-setting context, it is irrelevant here.

AT&T's final point is that the cost studies have omitted "offsetting revenues" that will be received for doing database look-ups for other carriers. While this is true, it is also irrelevant.[9] Bell Atlantic and NYNEX will receive these revenues with or without QoR, and they do not change the savings generated by QoR.

MCI's critique of the QoR cost savings studies is vague and conclusory and, where it is more specific, inaccurate. As to the latter, MCI states that these studies "fail to account for QOR software costs. However, Bell Atlantic, NYNEX and SBC all show "QoR software" as separate line items in their studies,[10] while Pacific includes it with other software costs.[11]

MCI does not explain its bald statements that we have "exaggerate[d the] number of SCP pairs needed" and the "speed of LNP deployment outside of top 100 MSAs" and it is, therefore, hard to respond to these claims with particularity. What we can say is that Bell Atlantic and NYNEX used their standard network engineering procedures to design their networks to provide number portability and that the cost studies reflect the investment in the number of SCPs included in that design.

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[7] AT&T Letter, Att. at 4.

[8] The network performs these call set-ups today, without number portability. Therefore, we do not have to buy any new equipment to continue to perform them.

[9] AT&T Letter, Att. at 1. MCI makes this same argument. MCI Letter, Att. at 1.

[10] Bell Atlantic's Reply in Support of Its Petition for Clarification and Partial Reconsideration, Att. A at 1-2; letter from Michael W. Bennett, SBC, to William F. Caton, dated October 21, 1996, Att. at 1-2; letter from Alan S. Cort, NYNEX, to William F. Caton, dated October 21, 1996, Att. at 3-4.

[11] Letter from Alan F. Ciamporcero, Pacific Telesis, to William F. Caton, dated October 29, 1996, Att. at 4, 6.

As to LNP deployment outside the top 100 MSAs, we assumed that it would be complete within five years. MCI may believe that competition will develop more slowly than that, but we do not. More important for these purposes, however, if only one business customer in a small town in a rural area changes to another provider, then without QoR, every call to that customer's NXX will require a database look-up. The beauty of LRN with QoR is that no look-ups would be required on calls to all the other customers who have not made a change.

Sincerely,

Marie Breslin

cc: P. Belvin
J. Casserly
D. Gonzales
J. Nakahata
G. Keeney
R. Metzger
C. Mattey
S. McMaster
J. Karp